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Message Text

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PAGE 01 JOHANN 01865 012221Z
ACTION AF-10

INFO OCT-01 ISO-00 EB-08 CIAE-00 INR-10 NSAE-00 TRSE-00
OMB-01 AID-05 COME-00 INT-05 STR-07 GSA-02 /049 W
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FM AMCONSUL JOHANNESBURG
TO SECSTATE WASHDC 8004
INFO AMEMBASSY PRETORIA

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E.O. 11652: N/A
TAGS: EMIN, ETRD, SF
SUBJECT: SAG REQUEST FOR TRADE WAIVER FOR CHROME ORE FROM
RUSTENBURG MINE

REF: STATE 191858

1. PARA 1 OF REFTEL DESCRIBES REQUESTED WAIVER OF U.S. CERTIFYING PROCEDURES FOR CHROME ORE EXPORTS FROM RUSTENBURG MINERALS DEVELOPMENT COMPANY LIMITED; A WAIVER THAT, IF GRANTED, WOULD BE COMPARABLE TO EXEMPTION PREVIOUSLY GRANTED GRASVALLY MINE. INFORMATION RECONFIRMED BY REGIONAL RESOURCES OFFICER SUGGESTS THAT THE DEPARTMENT MAY HAVE RECEIVED FROM SOUTH AFRICAN EMBASSY, AND OTHERS, INCOMPLETE AND (TO A DEGREE) ERRONEOUS DESCRIPTION OF MINE, ITS PRODUCTION STATUS, AND OUTLOOK. HOPEFULLY, THE FOLLOWING INPUT WILL BE USEFUL. IT IS A PLEASURE, ALSO, TO RESPOND TO INQUIRY CONTAINED IN PARA 2, VIS-A-VIS ADDITIONAL MINES THAT COULD MATCH GRASVALLY'S CHROME/IRON RATION IN THE FUTURE.

2. CURRENTLY, SOUTH AFRICAN MANGANESE AMCOR'S GRASVALLY MINE IS THE ONLY (REPEAT ONLY) PRODUCER OF CHROME ORE IN SOUTH AFRICA WITH CHROME/IRON RATION EXCEEDING 2.1 TO 1.0. ANALYSES RANGE FROM 2.30 TO 1.00 FOR
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PAGE 02 JOHANN 01865 012221Z

CONCENTRATES TO 2.35 TO 1.00 FOR SELECTIVELY MINED LUMP ORE. RUSTENBURG MINERALS (NOT TO BE CONFUSED WITH RUSTENBURG PLATINUM HOLDINGS OR INACTIVE RUSTENBURG CHROME MINES) IS A RECENTLY-ACQUIRED WHOLLY-OWNED SUBSIDIARY OF ANGLO TRANSVAAL CONSOLIDATED INVESTMENT COMPANY LIMITED ("ANGLOVAAL"). THE MINE IS OLD, AND HAS BEEN OUT OF ACTION FOR SOME YEARS. ANGLOVAAL

Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

CLAIMS, HOWEVER, THAT IT IS NOW BEING "REDEVELOPED",
HOPEFULLY FOR RENEWAL OF OPERATIONS BY OCTOBER 1979.

3. COMPANY REPS INFORMED SAG DEPARTMENT OF MINES
MINERALS BUREAU CHROME SPECIALIST, V.W.A. DUKE,
JULY 31, THAT RUSTENBURG MINERALS PRODUCTS WILL INCLUDE
BOTH LUMP ORE AND CONCENTRATES FOR EXPORT, BUT THEY
WOULD NOT DIVULGE ANTICIPATED GRADE SPECIFICATIONS ON
GROUNDS THAT "IT IS TOO EARLY TO MAKE SUCH PREDICTIONS".
FUTURE ANNUAL OUTPUT WAS ALSO WITHHELD. INDICATIONS
NONETHELESS ARE, OF COURSE, THAT ANGOLVAAL MAY BE AT
LEAST REASONABLY CERTAIN AT THIS STAGE THAT ONE OR THE
OTHER OF ITS PLANNED PRODUCTS WILL EXCEED 2.1 TO 1.0
CHROME/IRON RATIO; IN LIGHT OF THEIR REQUEST FOR A WAIVER.

4. THE 'NEW' MINE WILL BE LOCATED NEAR THE TOWN OF
RUSTENBURG, TRANSVAAL, IN AN AREA KNOWN TO CONTAIN
MINABLE ZONES OF CHROME/IRON RATIOS OF THIS MAGNITUDE.
THESE ZONES HAVE BEEN EXPLOITED ONLY OCCASIONALLY
IN THE PAST, HOWEVER, ADDITIONALLY, AND IN ANOTHER
AREA (BUT STILL WITHIN THE TRANSVAAL), TWO OTHER MINES
COULD POSSIBLY PRODUCE ORES OF THIS RATIO FOR EXPORT
(REF. PARA 2 OF REFTEL) SHOULD EITHER CHOOSE TO
SOHISTICATE BENEFICIATION AND/OR SELECTIVE MINING
TECHNIQUES IN THE FUTURE.

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5. ANGLOVAAL'S ZEERUST CHROME MINE AT NIETVERDIEND,
TRANSVAAL, IS A PRODUCER OF LUMP ORE AND CONCENTRATES
WITH A CHROME/IRON RATIO OF 1.9 TO 1.0. THE FIRM'S
NEIGHBOR AT NIETVERDIEND, ANGLO AMERICAN'S VEREENIGING
REFACTORIES' MARICO CHROME MINE, ANNUALLY RECORDS
SLIGHTLY HIGHER RATIOS -- AT 1.95 TO 1.00 FOR LUMP ORE
AND 2.10 TO 1.00 FOR CONCENTRATES. WE ARE NOT AWARE
OF OTHER EXISTING BORDERLINE CASES, OR OF OTHER DEVELOPING
MINES THAT COULD CREATE CAPACITIES TO PRODUCE SIMILAR
CHROME ORES IN THE NEXT FEW YEARS. IT COULD FOLLOW,
HOWEVER, THAT IF ANGLOVAAL IS SUCCESSFUL IN ITS BID TO
OBTAIN A WAIVER FOR ITS RUSTENBURG MINERALS MINE THE
FIRM MAY LOOK TOWARD A SIMILAR REQUEST FOR ITS ZEERUST
ORES, GIVEN SATISFACTORY MARKETING CONDITIONS IN THE U.S.
MARICO COULD ENTER THE PICTURE AS WELL AND, OVER A
SOMEWHAT LONGER RANGE, OTHER MINES NOW PRODUCING
1.5-1.7 TO 1.0 ORES CANNOT BE RULED OUT EITHER --
IF ECONOMIC CONDITIONS AND MARKETING WARRANT THE
ADDED COSTS OF BENEFICIATION AND SELECTIVE MINING,
IF SACTIONS AGAINST RHODESIAN ORES ARE CONTINUED, AND
IF WAIVERS OF U.S. CERTIFYING PROCEDURES REMAIN
OBTAINABLE.

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20 Mar 2014
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